



**INSIDE RETAIL SALES
PROMOTION AND ADVERTISING**

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Preface

The authors acknowledge the existence of several texts on the subject of retail advertising, sales promotion, and advertising design and copywriting. There are many books on retail marketing and merchandising. We are also aware that these subjects are usually presented as separate and distinct at most schools. The possibility certainly exists that the student may study one aspect of retailing without ever coming in contact with the other.

In the real world, merchandising and advertising are so closely intertwined that neither can operate without the other. In the large, complex department store, it is imperative that merchandising and buying personnel have a thorough working knowledge of advertising. It is equally imperative that advertising personnel be knowledgeable about retail buying and selling. In the chain store operation, even those of considerable size, advertising and merchandising responsibilities are most frequently combined at a relatively high executive level. In the smaller retail establishment, the entrepreneur wears all the hats. The separation of advertising from buying and merchandising is unrealistic. This book will show

how these two facets of retailing work together, how they interrelate, and how one depends on the other to achieve results.

Rapidly changing patterns in buying trends, fashion acceptance, and life-styles in the last two decades have created a greater need for linking the buying, selling, and advertising functions more closely. The store manager, the department store merchandise buyer, must have in mind not only who will buy the merchandise, but how to best communicate with that customer. The advertising person must, in turn, understand what retail merchandising is all about.

This book is designed to provide practical insight into the current workings of the retail business, with emphasis on the interrelation of the buying/advertising/selling functions. We have updated basic retail operating procedures and principles from our combined experience in merchandising, advertising, and sales promotion positions with major retail organizations.

The book is intended to serve the needs of a number of persons interested in careers in retailing: the student; people presently engaged in some phase of retailing; the newcomer to the field seeking more understanding of the sales promotion function; the store junior executive or department head interested in advancement; store managers who want and need more information about the advertising and sales promotion process; entrepreneurs or individual store owners who need to operate their own promotion programs; and the retail advertising persons who needs to know how to cope and perform successfully within the restrictions and patterns of the broader picture.

The book also provides the store management viewpoint toward advertising and sales promotion. The advertising and sales promotion person who deals constantly with retail store buyers and merchandise managers needs to know how "the other side" functions in order to produce effective advertising.

In this book, merchandising is perceived within the broad spectrum of the total retail environment. Fashion is not restricted to apparel, but we have chosen ready-to-wear for many of our references, since most people readily understand fashion apparel in retailing. Fashion includes apparel for men, women, and children, of course. But fashion is everywhere in our lives today—in home furnishings, furniture, kitchen appliances, refrigerators, carpeting, bedspreads—the entire gamut of merchandise sold at retail (and often at discount) prices. Our chief thrust is to explain and demonstrate how advertising and promotion, properly planned and executed, play a major role in the successful retail operation. We investigate new and developing means of communicating with the

elusive, fickle customer, who has ever-changing moods and tastes, newly evolving life-styles, and a high degree of mobility. We present retail sales promotion and advertising as a means of increasing store sales and customer traffic through the investment and proper use of promotional dollars, and thereby increasing net profits.

At the conclusion of each chapter there are questions for discussion and class assignment, many requiring practical application of text material. Illustrations throughout the book endeavor to highlight specific items. Appendix material, compiled from several sources, features glossaries, forms, systems and check lists to make the book usable to the student as well as the retailer.

Acknowledgments

The authors have learned much and received help and assistance from many people and many sources during their retail careers. After years of using facts and ideas acquired from research, observation, practice, and personal contacts, the ability to separate original from research material becomes extremely difficult. Our special thanks to Liberty House, Oakland, Ca., and to The Broadway, Bullock's, Robinson's and May Company, all of Los Angeles, Ca., for their generous contributions of illustrative material which add immeasurably to the text. To those we do not credit directly, we here say "thank you" and reflect with gratitude on what we have learned from so many people along the way.

Perhaps this book can serve as a learning experience—and as an inspiration to those who read it to continue their education and growth in the field of retailing.

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Chapter 1

Introduction to the Retail Experience

THE INFLUENCE OF FASHION

From the time the earliest cavewoman checked her reflection in a shimmering jungle pool up to the present day, the job of dressing the woman has been the function of fashion. Today that function includes the job of dressing both men and women, of clothing their children, of designing their kitchens, their homes, of fashionably furnishing the workplace and their places of recreation.

Reaching the buyer with a fashion merchandising offering—the right item at the right time at the right price, combined with the proper styling, color, and texture—is the function of merchandising.

Reaching that person with your fashion story—reaching as many potential buyers as possible for the lowest practical cost—is the function of fashion advertising and sales promotion.

Reaching that person—to determine what, when, how much, and at what price your merchandise will be bought, and determining the ways to reach that person despite the influences of changing life-styles—is the increasingly important role of fashion marketing.

The world has moved too fast and too far in recent years for the jack-of-all-trades fashion retailer to re-invent the wheel each time a new problem is encountered. Today the successful retailer must rely on outside sources. The tools are there: the systems; the talent; the information. It is necessary only to put it all together to create an individualized, distinctive fashion operation to serve a specific portion of the consumer public better than the competition.

The influences on fashion have changed over the centuries, but they have always been there. In early times, class distinctions were obvious because royalty and the wealthy wore clothes; slaves were naked. Catherine of Russia dictated what her subjects could wear. Henry VIII accented his broad shoulders with his massive costumes and his daughter, Elizabeth I, wore thick neck ruffles to hide a long, scrawny neck. These personal whims were reflected in the approved fashions of the day and were adopted by the people. In a sense, Henry and his daughter were fashion setters. In more recent times, we have seen the influence of the French designer Coco Chanel, creator of the classic Chanel jacket, who made the little black dress the perpetual memorial to her lost love; of the Duke of Windsor's necktie knot, which many men emulated; of Van Dyke's beard; of Al Smith's derby hat; of the Beatles' haircut; of Jackie Kennedy's pillbox hats and little white gloves. The 1960s youth culture blue jeans have become high fashion, with designers like Calvin Klein and Gloria Vanderbilt building million-dollar businesses on this one item alone.

One consistent influence on fashion over the centuries has also been politics and life-styles. The French Revolution dictated equality in dress as a sign of political change. The drabness and uniformity of dress in Communist societies today confirms the theory of the relationship of fashion and life-style. In the United States today, to be dressed fashionably, to drive a fashionable car, to live in a fashionable home or apartment is a source of comfort, of security, of pleasure, and of social acceptance.

The influencers of fashion are always with us. It is the alert, perceptive merchant who can spot the trends, recognize the signs of consumer acceptance, and take a position on a style. That merchant becomes the community's fashion leader. The stars of television, movies, the stage, rock stars, sports personalities, political leaders, business and industrial executives, their spouses, their activities, their life-styles—all play their part in the fashion cycle.

THE FASHION CYCLE

The fashion cycle is a predictable pattern that has shown remarkable consistency throughout history. Over the 200 years of Amer-

ican history, for example, three basic women's skirt forms have repeated themselves in sequence over the years. The skirt, the foundation of costume silhouette, has passed through times when the hoop, the bustle, and the sheath were the accepted popular shape. The length of the skirt has varied from the floor to the knee, stopping at different levels according to current dictates. It has been said that skirt lengths rise in bad economic times and go down during periods of prosperity, but this has not been totally true in recent times.

Women's pants were first a fashion "shocker" worn by only a fashionable few, then a necessity for the women factory workers of World War II defense plants, but not a staple in the wardrobe of every woman. Constant change in the styling of the pants—from bell bottom to pencil slim to "baggies," in a variety of fabrics and colors—now follow the cycle of fashion along with every other fashion trend.

Consider too the way men's fashions have changed in recent years—from the broad shoulders and tightly cuffed trousers of the 1940s to the narrow-lapeled, slim-tailored suits of the 1980s—with changes from wide to narrow (and back again) from season to season.

That "predictable" sequence is often interrupted by social and economic forces, by wars, conflicts affecting trade and commerce, and the availability of goods for manufacture and sale. World War II, social and political upheaval, and rapidly changing life-styles have perhaps forever interrupted the patterns of the past. Changes happen more quickly, more often, and for unpredictable reasons. The result is chaotic market conditions, problems of manufacture and distribution with which fashion retailers two decades ago never had to contend.

In practical terms, today's retailers are concerned with a much shorter time span. Their forecast periods are limited to one, or at most two, seasons ahead. Their projections may include only three months, and perhaps nine months. They are more concerned with consumer acceptance of the current fashions than with the long-range problems of deciding which styles will be more important in five years, or even next year.

The fashion cycle itself (Figure 1.1), the life and death path through which each new fashion idea passes, is basically what it always was, although the time factor is highly accelerated. It begins with the *introduction* or creation of a new fashion idea or item. The item may be new in itself, or an adaptation or new version of a formerly popular style. Then comes the *acceptance* of the new fashion by style leaders, society's tastemakers. Acceptance leads to adoption of the style at the manufacturing level, which assures its distri-

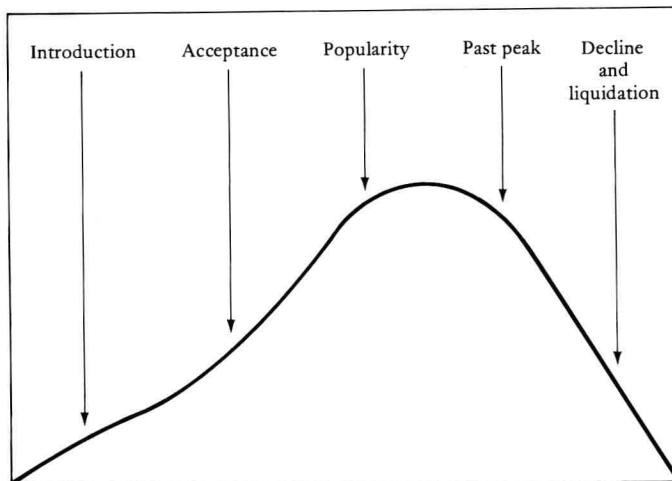


Figure 1.1 The fashion cycle. Each new style passes through the sequence from introduction to acceptance, reaches and passes its peak of popularity, then goes from past peak of popularity into decline and liquidation. The accelerating pace of today's communications affects the retailing world as well. And as a result, the fashion cycle spins more rapidly.

bution to high-fashion stores throughout the country. As time goes by and sales continue, acceptance becomes *popularity*, and the style reaches the general public. It is at this stage that mass merchandisers—Sears, Penney's, Ward's, and the like—take the spotlight. Heavy demand results in mass production and distribution to all kinds of fashion retail stores. The final phase, after the style has passed its peak of popularity, is *decline* and *liquidation*. At this stage, markdowns are taken to reduce prices and move the no longer desirable styles out of the stores' stocks through clearance and sale events.

A major influence in the introduction and reporting of new fashion ideas is *Women's Wear Daily*, a Fairchild publication, subscribed to by most retailers and manufacturers. It is the "bible" of the fashion industry—reporting, communicating, and interpreting fashion at the fiber, fabric, manufacturer, and retailer levels. Many store buyers are influenced by what they read in *WWD* (as it is known in the trade), but rely more often on the market information they receive from their resident buying offices. The competition to be first with the "next great fashion idea" sometimes gets too much attention. Fashion predictions do not always work out: The consumer is the ultimate judge of what new fashion will be accepted.

Successful fashion executives are able to recognize which stage of the fashion cycle an item is in at any given time. They have the instinct, the “feel” for when it is time to move to a new style with conviction and assurance or when it is time to withdraw and unload existing stocks. The ability to know when and how to move can spell the difference between a profitable purchase and a purchase that will end up as a heavy markdown.

The problem of developing this instinct becomes more of a challenge as the duration of the fashion cycle is shortened—from the acceptance of a style for several years to acceptance for a single season, or even a number of weeks in some instances. It is easy to understand that the period of introduction of a new fashion is shrinking rapidly with the help of mass communication and mass media.

A style with little previous acceptance, seen on a national network television show, in a particularly enhancing setting, by an audience of 40 million people, can become overnight a fashion item of national interest. Major TV productions, striving for maximum audience interest, mount their presentations with the assistance of nationally known designers who showcase their fashions under ideal conditions. There are benefits to both parties—the availability of the newest fashions for the TV show personalities and tremendous publicity for the designer.

The retailing adage pictures the ideal as the “right item at the right time at the right price.” The more successful operator adds a fourth “right”—the right quantities. This implies merchandising skills that predict when it is time to make a move and maximize sales potential while an item still has acceptability with the buying public.

Sales or clearance merchandise is often created by guessing wrong, by holding merchandise past its peak selling period, by buying too much of a given style or color, by waiting too long to take planned markdowns. The merchant must read the consumer correctly, gauging the extent of initial wants as well as noting when the customer is tiring of the style and does not want to see it any more.

A fine retail store can be seen as an extension of the personality of the store’s leadership. Consequently, there is much variation in successful store operation. Timing decisions on merchandise movement is often dictated by the fashion image the store is projecting. A high-fashion store would want to phase out a style as soon as it began to gain popular appeal. A popular-priced store that follows the trends carefully and from a safe distance would tend to bring in merchandise that had been tested sufficiently through sam-